

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02370A  
Chino Meadows II Water Company  
PO Box 350  
Chino Valley, AZ 86323

RECEIVED  
APR 04 2011  
ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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4-4-11

## COMPANY INFORMATION

**Company Name (Business Name)** Chino Meadows II Water Company

**Mailing Address** PO Box 350

(Street)

Chino Valley

(City)

AZ

(State)

86323

(Zip)

928-717-2616

Telephone No. (Include Area Code)

928-717-2621

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** service@cmiiwc.com

**Local Office Mailing Address** Same as Above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:** Matthew Lauterbach

Administrator

(Name)

(Title)

PO Box 350

(Street)

Chino Valley

(City)

AZ

(State)

86323

(Zip)

928-717-2616

Telephone No. (Include Area Code)

928-717-2621

Fax No. (Include Area Code)

928-899-7669

Cell No. (Include Area Code)

**Email Address** mattlauterbach@leviegroupp.com

**On Site Manager:** Same as Above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** Paul D. Levie

PO Box 350	(Name) Chino Valley	AZ	86323
(Street)	(City)	(State)	(Zip)
928-717-2616	928-717-2621		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	

**Attorney:** Paul D. Levie

PO Box 350	(Name) Chino Valley	AZ	86323
(Street)	(City)	(State)	(Zip)
928-717-2616	928-717-2621		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	

**Email Address** pdl@leviegroupp.com

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

**COMPANY NAME** Chino Meadows II Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6843.02	6843.25	0
302	Franchises			
303	Land and Land Rights	15204.06	0	15204.06
304	Structures and Improvements	44339.01	31539.34	12799.67
305	Collection and Impound Resv	4349.74	2888.57	1461.17
307	Wells & Springs	27448.37	22766.31	4682.06
309	Supply Mains	1009.21	744.40	264.81
311	Pumping Equipment	46967.74	32558.21	14409.88
320	Water Treatment Equipment	6406.03	3150.44	3255.59
330	Distribution Reservoirs and Standpipes	51683.88	47025.39	4658.49
331	Transmission and Distribution Mains	268588.78	221600.00	46988.78
333	Services	30067.16	21727.22	8339.94
334	Meters and Meter Installations	88637.12	58387.22	30249.90
335	Hydrants	12041.55	8568.03	3473.52
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	16727.91	6254.04	10473.87
340	Office Furniture and Equipment	9346.02	6970.60	2375.42
341	Transportation Equipment	77469.58	32657.89	44811.69
343	Tools, Shop and Garage Equipment	1273.54	616.73	656.81
344	Laboratory Equipment			
345	Power Operated Equipment	25637.73	18528.82	7108.91
346	Communication Equipment	27089.80	8201.80	18888.00
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	761130.25	531028.26	230102.57

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** Chino Meadows II Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	6843.02	5%	336.00
302	Franchises			
303	Land and Land Rights	15204.06	0%	0
304	Structures and Improvements	44339.01	5%	2216.96
305	Collection and Impound Resv	4349.74	5%	217.49
307	Wells & Springs	27448.37	3%	917.62
309	Supply Mains	1009.21	5%	50.46
311	Pumping Equipment	46967.74	4%	1784.65
320	Water Treatment Equipment	6406.03	5%	320.29
330	Distribution Reservoirs and Standpipes	51683.88	2%	1015.12
331	Transmission and Distribution Mains	268588.78	2%	4817.11
333	Services	30067.16	4%	1131.36
334	Meters and Meter Installations	88637.12	3%	2315.21
335	Hydrants	12041.55	5%	602.08
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	16727.91	5%	771.16
340	Office Furniture and Equipment	9346.02	5%	467.29
341	Transportation Equipment	77469.58	5%	3873.49
343	Tools, Shop and Garage Equipment	1273.54	4%	55.57
344	Laboratory Equipment			
345	Power Operated Equipment	25637.73	5%	1258.55
346	Communication Equipment	27089.80	7%	1962.71
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	761130.25		24113.12

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 2345.25	\$ 7495.72
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	9132.87	13175.29
146	Notes/Receivables from Associated Companies	31504.47	31892.18
151	Plant Material and Supplies	3023.81	3023.81
162	Prepayments	3174.00	3129.00
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 49180.40	\$ 58716.00
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 760775.80	\$ 769423.55
103	Property Held for Future Use		
105	Construction Work in Progress		23000.00
108	Accumulated Depreciation – Utility Plant	(508827.64)	(532940.86)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 251948.16	\$ 259482.69
	<b>TOTAL ASSETS</b>	\$ 301128.56	\$ 318198.69

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 6317.91	\$ 8732.64
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	6000.00	0
235	Customer Deposits	13827.60	14764.78
236	Accrued Taxes	4070.22	9257.48
237	Accrued Interest		3981.61
241	Miscellaneous Current and Accrued Liabilities	13895.42	5689.46
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 44111.15	\$ 42425.97
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	62820.41	43659.60
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	12808.78	12473.78
272	Less: Amortization of Contributions	(2630.87)	(2630.87)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 72998.32	\$ 53502.51
	<b>TOTAL LIABILITIES</b>	\$ 117109.47	\$ 95928.48
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 8597.00	\$ 8597.00
211	Paid in Capital in Excess of Par Value	80266.00	80266.00
215	Retained Earnings	138258.36	176509.48
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 227121.36	\$ 265849.76
	Treasury Stock	(43102.27)	(43102.27)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 301128.56	\$ 318198.69

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 339738.65	\$ 334688.53
460	Unmetered Water Revenue		
474	Other Water Revenues	7905.07	9382.05
	<b>TOTAL REVENUES</b>	<b>\$ 347643.72</b>	<b>\$ 346218.58</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 114311.53	\$ 167747.07
610	Purchased Water	100.01	137.76
615	Purchased Power	22657.46	22996.91
618	Chemicals	883.72	653.48
620	Repairs and Maintenance	16303.69	12367.76
621	Office Supplies and Expense	16597.34	13842.41
630	Outside Services	9862.63	8544.54
635	Water Testing	4548.11	4804.73
641	Rents	6000.00	8300.00
650	Transportation Expenses	15726.40	23336.82
657	Insurance – General Liability	14508.90	10464.00
659	Insurance - Health and Life	0	3395.84
666	Regulatory Commission Expense – Rate Case	442.22	2486.00
675	Miscellaneous Expense	559.30	11073.97
403	Depreciation Expense	25131.90	24113.12
408	Taxes Other Than Income	9592.12	6680.68
408.11	Property Taxes	22328.62	14166.01
409	Income Tax	6441.41	(2148.00)
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 285955.36</b>	<b>\$ 332963.10</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 61648.36</b>	<b>\$ 11107.48</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 226.70	\$ 3590.48
421	Non-Utility Income		25735.81
426	Miscellaneous Non-Utility Expenses	3.34	0
427	Interest Expense		(3909.85)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 230.04</b>	<b>\$ 25416.44</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 61878.40</b>	<b>\$ 36523.92</b>



**COMPANY NAME** Chino Meadows II Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 42208.50
Meter Deposits Refunded During the Test Year	\$ 17552.81

<b>COMPANY NAME</b> Chino Meadows II Water Company
<b>Name of System:</b> Chino Meadows II Water Co <b>ADEQ Public Water System Number:</b> 13-079

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-552320	15	225	355	10	3	1995
55-613770	20	250	450	12	3	1982

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
15	4	7	3
25	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
67000	1	5000	2
20000	1		
10000	2		

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b> Chino Meadows II Water Company		
<b>Name of System:</b> Chino Meadows II Water Co	<b>ADEQ Public Water System Number:</b>	13-079

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

#### **MAINS**

Size (in inches)	Material	Length (in feet)
2	pvc & glav	2698
3		
4	pvc	2872
5		
6	pvc	70214
8		
10		
12		

#### **CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	889
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category for each system.**

#### **TREATMENT EQUIPMENT:**

(2) Chlorination Pump Systems

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#### **STRUCTURES:**

(1) Shop Building Quonset Hut; Metal 26'x38'

(2) Well House Structures; Wood 8'x8' and 6'x15'

(1) Application Shed; Wood 8'x8'

(2) Pump/Pressure Tank Buildings; Wood 10'x12' and Block 16'x20'

(1) Storage Building; Block 20'x20'

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#### **OTHER:**

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***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME:</b> Chino Meadows II Water Company
<b>Name of System:</b> Chino Meadows II Water Co <b>ADEQ Public Water System Number:</b> 13-079

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	896	3783.9	4156.3	.1
FEBRUARY	904	3465.7	3776.7	0
MARCH	889	3533.2	4015.9	0
APRIL	892	4762.8	5340.2	0
MAY	877	4671.1	4991.5	0
JUNE	885	5867.6	6140.4	0
JULY	890	6688.5	7315.6	0
AUGUST	894	5000.1	5522.0	0
SEPTEMBER	883	4969.0	5785.1	0
OCTOBER	885	4838.9	5307.0	0
NOVEMBER	886	4030.0	4418.2	0
DECEMBER	885	4997.9	5635.9	0
<b>TOTALS →</b>		56608.7	62404.8	.1

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l 55-613770=.006 mg/l  
55-552320=.006 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? <sup>1000</sup>\_\_\_\_\_ GPM for <sup>2</sup>\_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☒ Yes                      ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

<b>COMPANY NAME:</b> Chino Meadows II Water Company			
<b>Name of System:</b> Chino Meadows II Water Co		<b>ADEQ Public Water System Number:</b>	13-079

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-410.B</b>	<b>Termination with Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>		5	
<b>FEBRUARY</b>		13	
<b>MARCH</b>		4	
<b>APRIL</b>		0	
<b>MAY</b>		8	
<b>JUNE</b>		5	
<b>JULY</b>		7	
<b>AUGUST</b>		9	
<b>SEPTEMBER</b>		14	
<b>OCTOBER</b>		2	
<b>NOVEMBER</b>		8	
<b>DECEMBER</b>		7	
<b>TOTALS →</b>	0	82	0

OTHER (description):

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COMPANY NAME Chino Meadows II Water Company YEAR ENDING 12/31/2010

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 14166.01

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED  
APR 04 2011  
ACCUITIES DIRECTOR

**VERIFICATION**

STATE OF Arizona

**I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME)
Yavapai
NAME (OWNER OR OFFICIAL) TITLE
Matthew Lauterbach, Administrator
COMPANY NAME
Chino Meadows II Water Company

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

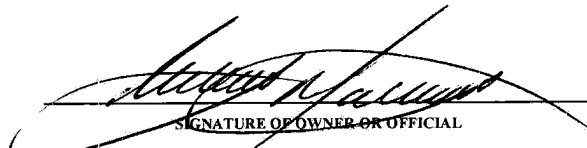
MONTH	DAY	YEAR
12	31	2010

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
SIGNATURE OF OWNER OR OFFICIAL  
928-717-2616  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

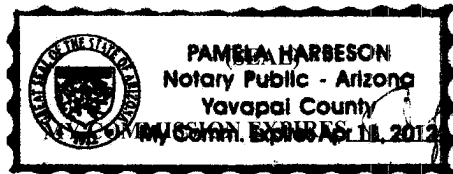
31<sup>st</sup>

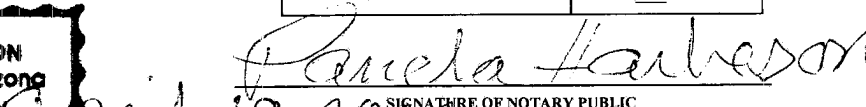
**DAY OF**

COUNTY NAME Yavapai

MONTH March

2011



  
SIGNATURE OF NOTARY PUBLIC  
April 18, 2012

COMPANY NAME Chino Meadows II Water Company

YEAR ENDING 12/31/2010

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported To Be Determined  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported To Be Determined  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances To Be Determined  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3/31/11  
DATE

Matthew Lauterbach  
PRINTED NAME

Administrator  
TITLE



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED  
APR 6 2011  
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Matthew Lauterbach, Administrator</u>
COMPANY NAME <u>Chino Meadows II Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

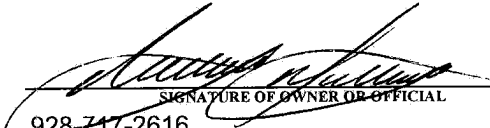
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  \$ <u>346218.58</u>
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(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 35293.97  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

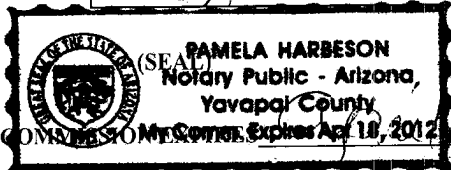
  
SIGNATURE OF OWNER OR OFFICIAL  
928-717-2616  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31st DAY OF

COUNTY NAME <u>Yavapai</u>
MONTH <u>March</u> <u>2011</u>



Pamela Harbeson  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Apr 18, 2012

18, 2012

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED  
APR 24 2011  
ACCUITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) Matthew Lauterbach	TITLE Administrator
COMPANY NAME Chino Meadows II Water Company	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

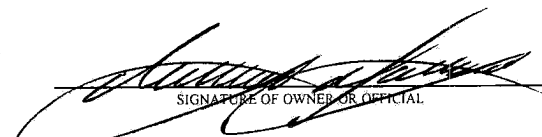
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 346218.58

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 35293.97  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
928-717-2616  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

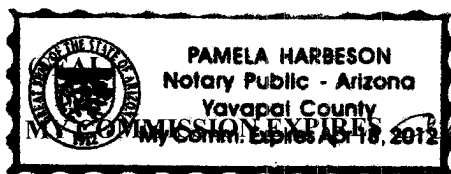
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

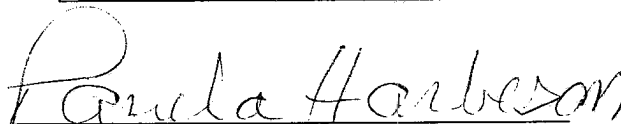
**THIS**

3/10

**DAY OF**

NOTARY PUBLIC NAME Pam Harbeson	
COUNTY NAME Yavapai	
MONTH March	20 11



  
SIGNATURE OF NOTARY PUBLIC